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DEPARTMENT OF STATE

Memorandum of Conversation

DATE: October 19, 1956

SUBJECT: US - Saudi Arabian Relations

PARTICIPANTS: Mr. Floyd Ohliger, Vice President for Concession Affairs, ARAMCO
Mr. James T. Duce, Vice President for Governmental Affairs, ARAMCO
Mr. William M. Rountree, NEA
Mr. Earl Beckner, FSD
Mr. David Newsom, NE

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DEPARTMENT OF STATE A/CDC/MR

REVIEWED BY *RIM* DATE *4/15/81*
PORTIONS DENIED AS INDICATED

Mr. Ohliger, explaining that he was back from Dhahran for a brief business trip, said he believed relations between the company and Saudi Arabia and between the United States Government and Saudi Arabia to be very good. He said he had seen the King recently on several occasions and that the King was "genuinely pleased" with the recent correspondence he has had with President Eisenhower on Suez and other matters. Mr. Ohliger said the King had shown him some of the letters and that the King had been pleased at the frank, honest statements in the letters.

Mr. Rountree explained that it was not always possible to meet the King's points of view in replying. Mr. Ohliger said this did not make too much difference as long as the answers were honest statements of the U. S. position.

Mr. Ohliger said this friendly feeling which the King has is reflected everywhere in the country. He said even Prince Faisal reflects it. [redacted] recently he has had two very pleasant and fruitful discussions with the Crown Prince, at the latter's request.

Mr. Ohliger said he believed the King had been a very helpful influence during the Suez crisis and had exercised a restraining influence on Nasser.

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irrelevant

Mr. Ohliger mentioned the Dhahran Airfield negotiations. Mr. Rountree said the Department's next reply was under study. (Mr. Ohliger said the King very much wished the release of the letters of offer outstanding as a token of our good faith.) Mr. Rountree said this matter was being weighed. Mr. Ohliger remarked, also, that the King's willingness to prolong the discussions was a good sign. He believed, however, that before the King signed a new agreement, he would wish substantial justification to show the benefits of his cooperation with the United States. Mr. Rountree explained that what the United States could offer was limited, but that the King's needs were being very definitely considered in the next reply.

FW.
DON

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